Remarks

Claims 2-38 were pending and rejected. Claim 2 has been amended. Claim 5 has been cancelled without prejudice or disclaimer. Claims 39-46 have been added. Claims 2-4 and 6-46 are now pending.

The Examiner is kindly requested to address all future correspondence in this application to the attorneys at Fenwick & West LLP. A copy of the Revocation and Power of Attorney previously submitted for this application is enclosed.

The present application is a continuation-in-part of Application No. 08/904,784, which is a continuation of U.S. Patent No. 5,655,013 (Gainsboro '013), which is a continuation of abandoned Application No. 08/229,517. As such, the present application has an effective priority date of April 19, 1994 for all common subject matter.

Claim 35 was rejected under 35 U.S.C. 102(e) as being anticipated by U.S Patent No. 5,655,013 (Gainsboro '013). This rejection is respectfully traversed. As the present application is a continuation-in-part of a continuation of Gainsboro '013, the Gainsboro '013 patent is not a proper anticipatory reference against the instant application.

Accordingly, the Applicants respectfully request that the Examiner withdraw the rejection of claim 35 as anticipated by Gainsboro '013.

Dependent claims 36, 37, and 38 were respectively rejected under 35 U.S.C. 103(a) as being unpatentable over Gainsboro '013 in view of Kikinis (claim 36), in view of Kikinis in further view of Hou (claim 37), and Kikinis in further view of Daudelin (claim 38). As discussed above, Gainsboro '013 is not a proper reference against the instant application. Neither the Kikinis, Hou, nor Daudelin disclosures compensate for

the absence of the Gainsboro '013 reference. Accordingly, the Applicants respectfully request that the Examiner withdraw the rejection of claims 36-38.

Independent claim 2 and dependent claim 3 were rejected under 35 U.S.C. 102(b) as being anticipated by Stern et al, U.S. Patent 5,054,059. This rejection is respectfully traversed. Claims 2, as amended, now recites that the comparing step includes "determining whether said calling party has an active account" and denying communication requests when the account is not active. The examiner has correctly noted that Stern does not disclose this feature. Accordingly, the Applicants respectfully request that the Examiner withdraw the rejection of claims 2-3 as anticipated by Stern.

Dependent claims 6, 12-16, and 21 were rejected under 35 U.S.C. 103(a) as being unpatentable over Stern in view of Gainsboro '013. As noted above, Gainsboro '013 is not a proper reference against the instant application. In addition to the deficiencies of Stern noted above for independent claim 2, the Examiner has previously determined that Stern also does not disclose the subject matter recited in claims 6, 12-16, and 21. Accordingly, the Applicants respectfully request that the Examiner withdraw the rejection of claims 5-6, 12-16, and 21.

The remaining dependent claims have been rejected under 35 U.S.C. 103(a) over Stern in combination with Freedman (claims 4, 8, and 11); Daudelin (claims 7, 24-26); Morganstein (claims 9 and 10); Howe (claims 17-20, 22 and 23); Hue (claims 27 and 28); Matchett (claims 29-32), and Hou in further view of Matchett (claims 33-34). These references, either alone or in combination, do not compensate for the deficiencies of Stern noted above. In addition, Applicants note that contrary to the Examiner's assertion, Howe discloses an account associated with the called party, not the calling party.

Accordingly, the Applicants respectfully request that the Examiner withdraw the rejection of dependent claims 4, 7-11, 17-20, 22-34.

New claims 39 - 46 are patentable for at least the same reasons as independent claims 2 and 35.

For the foregoing reasons it is submitted that the above referenced application is in condition for allowance. If the Examiner believes that direct contact will advance the prosecution of this application, then he is invited to contact the undersigned at the number below.

Respectfully submitted, JAY L. GAINSBORO *ET AL*.

Dated: June 10, 2002

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Enclosure (Revocation and Power of Attorney)

2. (Once Amended) A method of managing institutional telephone activity between a calling party and a called party, wherein said method comprises [the steps of]: providing an account for each said calling party, wherein said account comprises calling entitlements;

initiating a communication connection by said calling party from a calling terminal, wherein said initiating comprises a communication request by said calling party;

identifying said calling party;

analyzing said communication request to determine parameters; and comparing said parameters to said entitlements to determine whether said calling party is entitled to a communication between said called party and said calling party and determining whether said calling party has an active account, wherein said communication is denied if said determining returns a negative result.